

The City of Falls Church

Group Policy G# 4027243

Basic & Supplemental Life/DLI Claim Summary

July 1, 2005 through October 31, 2009

Beginning Policy Year Ending Policy Year	7/1/2005 6/30/2006	7/1/2006 6/30/2007	7/1/2007 6/30/2008	7/1/2008 6/30/2009	7/1/2009 10/31/2009	(Plan Inception) 7/1/2004 10/31/2009
Paid Premium:						
Basic Life Insurance	\$150,277	\$157,222	\$189,093	\$199,879	\$57,958	\$807,644
Supplemental Life	\$38,357	\$40,819	\$44,872	\$50,480	\$19,637	\$211,339
Dependent Life Insurance	\$10,579	\$12,239	\$13,637	\$14,106	\$5,524	\$60,409
Total Paid Premium	\$199,213	\$210,280	\$247,602	\$264,465	\$83,119	\$1,079,392
Basic Life Rate:	\$0.40	\$0.40	\$0.44	\$0.44	\$0.44	
Paid Claims:						
Basic Life Insurance	\$196,000	\$413,000	\$5,000	\$10,000	\$0	\$664,000
Supplemental Life	\$0	\$130,000	\$0	\$0	\$0	\$130,000
Dependent Life Insurance	\$0	\$0	\$10,000	\$0	\$0	\$10,000
Total Paid Claims	\$196,000	\$543,000	\$15,000	\$10,000	\$0	\$804,000
Life Reserves:						
Open CDB Reserves	\$0	\$0	\$0	\$0	\$90,632	\$90,632
Number on Disability Waiver	0	0	0	0	1	
Change in Life Reserves:						
Change in CDB Reserves	(\$165,861)	\$0	\$0	\$0	\$90,632	(\$75,229)
Conversion Charges	\$0	\$0	\$0	\$0	\$0	\$0
Incurred Claims ^	\$30,139	\$543,000	\$15,000	\$10,000	\$90,632	\$728,771
Incurred Loss Ratio	98.39%	258.23%	6.06%	5.73%	109.04%	67.50%

Footnotes:

+ CDB Reserves are defined as Continuation Disability Benefit Reserves

^ Incurred Claims are defined as paid claims, the change in Life reserves, and the portion of the one-time life conversion charges applied to the employer plan.

The City of Falls Church
Group Policy G# 4027243
Long-Term Disability Experience Summary
July 1, 2005 through October 31, 2009

Beginning Policy Year Ending Policy Year	7/1/2005	7/1/2006	7/1/2007	7/1/2008	7/1/2009	(Plan Inception) 7/1/2004
	<u>6/30/2006</u>	<u>6/30/2007</u>	<u>6/30/2008</u>	<u>6/30/2009</u>	<u>10/31/2009</u>	<u>10/31/2009</u>
Paid Premium	\$92,548	\$105,886	\$121,064	\$122,175	\$35,544	\$548,016
Paid Claims	\$47,850	\$31,608	\$44,387	\$59,132	\$42,882	\$290,149
Rate:	\$0.68	\$0.74	\$0.74	\$0.74	\$0.74	
LTD Reserves:						
Total Open Reserves	\$178,068	\$146,242	\$373,333	\$326,083	\$113,337	\$113,337
Total LTD IBURS*	<u>\$31,466</u>	<u>\$36,001</u>	<u>\$41,162</u>	<u>\$41,540</u>	<u>\$36,255</u>	<u>\$36,255</u>
Total Reserves	\$209,534	\$182,243	\$414,495	\$367,623	\$149,592	\$149,592
Number of Open Reserves	4	3	3	3	2	
Change in LTD Reserves:						
Change in Open Reserves	(\$95,775)	(\$31,826)	\$227,091	(\$47,250)	(\$212,746)	(\$7,339)
Change in LTD IBURS **	<u>\$7,395</u>	<u>\$4,535</u>	<u>\$5,161</u>	<u>\$378</u>	<u>(\$5,285)</u>	<u>\$14,109</u>
Change in Reserves	(\$88,380)	(\$27,291)	\$232,252	(\$46,872)	(\$218,030)	\$6,770
Incurred Claims ^	(\$40,530)	\$4,317	\$276,639	\$12,259	(\$175,418)	\$296,649
Incurred Loss Ratio	-43.79%	4.08%	228.51%	10.04%	493.50%	54.14%

Footnotes:

* IBURS are defined as the Incurred But Unreported Reserves, which on a four-month waiting period are calculated at 34% of the annualized policy year paid premium.

**This is the net change in LTD IBURS as compared to the prior policy year.

^ Incurred Claims are defined as paid claims plus the change in LTD reserves.

The reserve calculation does not represent the estimated value of the claim(s), but represents the reserve the insurance company must establish for financial reporting purposes.